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TAGS: [PGOV](#) [PINR](#) [PREL](#) [EAID](#) [KV](#)  
SUBJECT: KOSOVO: DECENTRALIZATION'S CHALLENGE

Classified By: Ambassador Tina S. Kaidanow for Reasons 1.4 (b), (d).

11. (C) SUMMARY: Ahtisaari-mandated decentralization that, among other things, creates new Serb-majority municipalities empowered with sweeping competencies for local self-governance is building momentum, though the question of whether adequate conditions are in place for successful implementation of decentralization remains open. The International Civilian Office (ICO) sees implementing decentralization as one of its core competencies and is pushing a highly optimistic timeline for forming the new Serb municipalities. The Ministry for Local Government Administration (MLGA) is the Kosovo institution charged with launching decentralization, and its minister, Sadri Ferati, has told us privately he is concerned that circumstances are not yet ideal for pursuing this ambitious project. Successful decentralization requires that Serbs participate in Kosovo institutions -- running for office, taking part in elections, seeking services from Kosovo government offices, etc. Occasional statements suggesting an openness towards decentralization from moderate Serb leaders like Randjel Nojkic and Rada Trajkovic convince the ICO that Serbs will participate in the project, and ICO is mediating meetings between GOK officials and moderate Serbs in an effort to forge an agreement for moving forward.

12. (C) Summary, cont. There is absolutely no indication that Serbs in north Mitrovica will accept decentralization, and absent encouragement from Belgrade, it is not clear that Serbs in the southern enclaves will embrace decentralization in significant numbers. ICO's apparent intent is to move forward on a broad front in the enclaves with decentralization, even though the outcome remains unclear. Our concern is that tampering with the basic stability that exists on the ground in Kosovo -- particularly when the end result cannot be guaranteed -- could be a recipe for future problems. A more limited approach, on a test case basis, might help alleviate some of these concerns. There are other fault lines ahead, as well: even if decentralization succeeds partially in the enclaves, as Ferati points out, the failure to pursue decentralization in north Mitrovica will inevitably feed resentment by ethnic Albanians and perceptions of partition. END SUMMARY

Launching Decentralization: A Primer

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13. (C) Decentralization is one of the centerpieces of Marti Ahtisaari's Comprehensive Proposal for the Kosovo Status Settlement and provides a framework for strong local self governance throughout all of Kosovo's municipalities. It also mandates creating five new majority Serb municipalities -- Gracanice/Gracanica, Ranillug/Ranilug, Partes, Klllokot/Klokot, and Mitrovice/Mitrovica North -- and modifying the existing municipality of Novoberde/Novo Brdo to incorporate a majority of Serbian residents. The GOK will devolve a host of competencies to all municipalities in Kosovo, regardless of ethnic composition, and transitioned social welfare to local control on January 27. The ICO has the lead in creating the new Serb-majority municipalities, and the first step will involve appointing municipal preparation teams (MPT).

14. (C) The MPTs will work with the so-called mother municipalities, those existing municipal structures that are ceding territory to the new municipalities, and will lay the institutional foundation for the new executive bodies in the new municipalities. The International Civilian Representative (ICR), Pieter Feith, in consultation with Minister of Local Government Administration Sadri Ferati, will appoint members of the MPTs following an open application process. The International Civilian Office (ICO) tells us that they hope to appoint the first MPTs as early as April 1. There is ongoing debate about the mechanics of introducing the MPTs. ICO favors starting the MPTs in the southern enclaves all at once or in close succession. Given the multiple uncertainties involved and the lack of overt Serb buy-in, we have suggested (and the MLGA prefers) a

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slower process that starts by introducing MPTs in those areas most receptive to decentralization, allowing momentum to develop as decentralization proceeds to more contentious areas. This would allow sensitive areas the opportunity to warm to the concept and avoid any serious upheaval that could provoke a local response by either ethnic community.

#### Requirements for Success

15. (C) Successful decentralization hinges on several factors. As a first step, the right Serbs must agree to participate in MPTs. Kosovo Serb participation in the 2007 elections was almost nil, demonstrating yet again that Serbs will almost certainly refuse to participate in Kosovo institutions -- even if it is in their interest -- unless Belgrade gives the green light, a bleak prospect for the foreseeable future. The Serbian Independent Liberal (SLS) party which participates in the Kosovo government, though gaining some small ground in overall support, does not yet have wide acceptance within Kosovo's Serb community. For the MPTs to succeed in winning support among local Serbs, the MPT members must be recognized local leaders. MPTs staffed by individuals hungry for a large paycheck -- salaries are likely to be more than double the standard Kosovo government rate -- will face accusations that they are "quislings" currying favor with Albanians for personal gain.

16. (C) If things proceed according to plan, the new municipalities will be fully formed following municipal elections which are tentatively scheduled for November (though even ICO acknowledges that this timeline is exceptionally ambitious). During these elections, new aspiring local leaders will in theory compete for office in the new municipalities. If Serb voters do not participate, then the potential exists that Albanian candidates will win in the new Serb-majority municipalities, invalidating decentralization as a plan to safeguard the Serbian minority.

17. (C) Finally, Serbs in the new municipalities must look to the Kosovo institutions for public services like health care, education, and social welfare, and they must abandon or at least subsume the parallel structures established following

the May 2008 Serbian municipal elections. Without some signal from Belgrade that decentralization is permissible, it is unlikely that any of these conditions will be met.

#### Serb Moderates Undecided

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¶18. (C) Everyone in Kosovo who is following decentralization is looking for signals from moderate locally and nationally prominent Serbs that they are willing to support and participate in the municipal structures. The messages are mixed. ICO and the MLGA have hosted gatherings for Serbs from the affected regions and tell us that they have heard numerous signs of support for decentralization. Similarly, ICO has also launched a new initiative to bring prominent, moderate Serbs together with GOK officials to discuss a way forward. ICO readouts of the sessions highlight Serb openness. Embassy contacts from the Serbian community who attended these sessions offer a more muted and skeptical reaction.

¶19. (C) For example, Randjel Nojkic, director of the Serbian Post, Telecom, and Telegraph in Kosovo told us following the January 26 ICO-GOK dialogue that Ahtisaari's decentralization plan does not include sufficient institutional protections, and the Serbian communities will be under threat from Albanians moving into the regions. He told us that he wants to see modifications to the plan if he is going to support decentralization. He also told visiting DAS Stuart Jones in January that decentralization as a practical matter would never be accepted by the Serb community en masse unless Belgrade gave at least a tacit thumbs up. At the same time, he has told us frequently that he supports the concept of decentralization and local self-governance for Serbs in Kosovo.

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¶10. (C) We hear similar statements mixing conceptual support with skepticism for the existing plan and despair that Belgrade will never play along from many of our Serb contacts. Rada Trajkovic, Chairperson of the Serb National Council in Gracanica, told us on January 13 that without decentralization that Serbs will have to leave Kosovo, but she also said that decentralization cannot proceed according to the Ahtisaari plan. Vesna Jovanovic, a former member of the Kosovo Assembly and currently serving in the Gjilan/Gnjilane parallel municipal government, at the same meeting, told us decentralization's largest problem is that it is unacceptable to Belgrade. The concept is fine, but local Serbs, she said, would not support it because it implies acceptance of Kosovo's independence and works against Serb interests.

¶11. (C) None of our contacts offers any optimism that decentralization has any hope of success in the North, and discussions about how to proceed with north Mitrovica are almost non-existent. MLGA Minister Ferati is mildly optimistic that there exists enough support in the southern enclaves for decentralization to commence, but he evinces real anxiety that the ICO is pushing him to move forward with decentralization without offering any guidance or support on how to extend the program throughout the country. Our ICO contacts admit to us that they have no good plan regarding the north, but they harbor hope that success in the enclaves will somehow light a path for introducing decentralization in north Mitrovica later.

#### GOK Anxiety

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¶12. (C) Our frequent discussions with Minister Ferati, one of the more capable members of the Thaci cabinet, reveal that he is deeply conflicted about decentralization. As the minister charged with implementing the project, he projects optimism and relies heavily on positive signals from areas such as

Klllokot/Klokot and Novoberde/Novo Brdo that Serbs are ready to participate in Kosovo institutions if they can control local government and attract greater investment for their communities. Serbs in these areas, he says, feel that Belgrade is ignoring the enclaves.

¶13. (C) He also voices concern, however, that the process is moving too quickly and has told us that ICO is pushing him to act faster than the conditions will bear, believing that decentralization can only succeed if it succeeds everywhere. As it stands now, he told us on February 20, decentralization has the opportunity to succeed, at least partially, in some of the enclave municipalities, but a broad approach at the outset could provoke wide failure and kill the potential for movement on decentralization well into the future. Even more, Ferati, who in his last job was the CEO of Mitrovica municipality, underscores that decentralization does not have a prayer in the north. If there is a differential picture of the government's willingness to engage in decentralization north and south of the Ibar, he worries, the perception will grow that partition is being cemented. Such an outcome, he said, could provoke a political backlash and Albanians will withdraw their support for this Ahtisaari component.

Comment  
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¶14. (C) We have made clear to both the ICO and the MLGA that we support decentralization. The concept of local self-governance is sound and offers real possibilities for protecting Serb interests. We are less confident, however, that there is the burgeoning support for the project among Serbs across Kosovo that ICO sees, and we are concerned that ICO may be pursuing this process at an escalated pace in order to meet the overly ambitious November election timeline, without adequate consideration of the stability elements involved.

¶15. (C) In the end, Belgrade will unfortunately have the  
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deciding vote in determining whether decentralization succeeds or fails, and at this point its unqualified rejection of any Ahtisaari-related process drowns out the MLGA's and the ICO's effort to publicize the program within the Kosovo Serb community. Given these uncertainties and the potentially serious consequences on the ground of altering existing structures of governance, we have suggested that the MLGA and the ICO dial back plans to announce multiple MPTs in April and instead focus on one or two test cases. This would allow Serbs the opportunity to see what decentralization can offer, with the MLGA and the ICO still able to say that they are moving forward on implementation of the Ahtisaari plan. Thus far, our comments have not swayed ICO in its intent; DAS Jones may wish to take this up privately with ICR Feith later this week in discussions surrounding the upcoming ISG meeting in Vienna. END COMMENT  
KAIDANOW